

**Assembly Joint Resolution**

**No. 17**

**Introduced by Assembly Member Patterson**

**(Coauthors: Assembly Members Achadjian, Allen, Bigelow, Chávez, Conway, Dahle, Donnelly, Beth Gaines, Gorell, Grove, Hagman, Harkey, Jones, Linder, Logue, Maienschein, Mansoor, Melendez, Morrell, Nestande, Olsen, Wagner, Waldron, and Wilk)**

April 8, 2013

Assembly Joint Resolution No. 17—Relative to a repeal of a federal tax on medical devices.

LEGISLATIVE COUNSEL’S DIGEST

AJR 17, as introduced, Patterson. Federal tax.

This measure would urge the President and Congress of the United States of America to repeal the excise tax on medical devices to protect the medical device industry and its consumers.

Fiscal committee: no.

- 1 WHEREAS, Beginning in 2013, federal law imposed a 2.3
- 2 percent excise tax on the sales of certain medical devices; and
- 3 WHEREAS, The medical device industry employs
- 4 approximately 519,000 people throughout the nation, and many
- 5 companies have announced anticipated layoffs to counteract the
- 6 lost revenue caused by the payment of the tax; and
- 7 WHEREAS, California is home to over 1,200 medical device
- 8 companies that employ over 107,000 Californians; and
- 9 WHEREAS, Since approximately 20 percent of the nation’s
- 10 medical device industry workforce is located in California, the tax

1 disproportionately impacts California businesses and employees;  
2 and

3 WHEREAS, The tax also increases the costs of medical devices  
4 on consumers, causing a disproportionate and difficult burden on  
5 the sick and elderly, who more often need medical devices; and

6 WHEREAS, The funds used to pay the tax could be better  
7 allocated towards research, development, and job creation in the  
8 medical device industry; and

9 WHEREAS, A bipartisan effort in Congress, including members  
10 of the California congressional delegation, is working to repeal  
11 the tax; and

12 WHEREAS, On March 21, 2013, the United States Senate voted  
13 79 to 20 to support the Hatch-Klobuchar amendment to the Fiscal  
14 Year 2014 Budget Resolution that would repeal the medical device  
15 tax that was included in the federal Patient Protection and  
16 Affordable Care Act; now, therefore, be it

17 *Resolved by the Assembly and the Senate of the State of*  
18 *California, jointly,* That the Legislature urges the President and  
19 Congress of the United States to repeal the excise tax on medical  
20 devices to protect the medical device industry and its consumers;  
21 and be it further

22 *Resolved,* That the Chief Clerk of the Assembly transmit copies  
23 of this resolution to the President and Vice President of the United  
24 States of America, the Speaker of the House of Representatives,  
25 the Minority Leader of the House of Representatives, the Majority  
26 Leader of the United States Senate, the Minority Leader of the  
27 United States Senate, and to each Senator and Representative from  
28 California in the Congress of the United States.